

AMENDED IN ASSEMBLY MAY 31, 2016

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY APRIL 20, 2016

AMENDED IN ASSEMBLY APRIL 12, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2678

Introduced by Assembly Member Gray
(Coauthors: Assembly Members Bigelow, Cooper, Dodd, Gallagher,
***Gonzalez, Mathis, and Salas*)**

February 19, 2016

An act to amend, repeal, and add Section 19620.2 of the Business and Professions Code, and to add and repeal Sections 6453.1 and 7101.4 of the Revenue and Taxation Code, relating to state-designated fairs, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2678, as amended, Gray. State-designated fairs: funding.

Existing law establishes the Fair and Exposition Fund to, among other things, allocate moneys for the support of the network of California fairs. The balance of moneys in that fund, after appropriation by the Legislature for specified oversight and auditing costs, are continuously appropriated for capital outlay for specified fair projects. Existing sales and use laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state measured by sales price, and requires that

revenues, less refunds, derived from a specified rate of that tax be transferred to specified funds and then the balance to the General Fund.

This bill would require a tax return filed for the purposes of the Sales and Use Tax Law to segregate the gross receipts of the seller and the sales price of the property on a form prescribed by the State Board of Equalization when the place of sale or use in this state is on or within the real property of a state-designated fair, as defined, which excludes any fair located in the County of Los Angeles, or any real property of a state-designated fair that is leased to another party.

The bill would require, except as specified, that 30% of all revenues, less refunds and costs of administration, derived from those segregated sales and use tax amounts that would have been deposited into the General Fund instead be deposited into the Fair and Exposition Fund and continuously appropriated for allocation by the Secretary of Food and Agriculture for specified fair ~~projects~~; *projects and subject to certain conditions*.

The bill would repeal these provisions on January 1, 2022.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19620.2 of the Business and Professions
- 2 Code is amended to read:
- 3 19620.2. (a) (1) Any unallocated balance from Section
- 4 19620.1 and any revenue deposited in the Fair and Exposition
- 5 Fund pursuant to Section 7101.4 of the Revenue and Taxation
- 6 Code is hereby appropriated without regard to fiscal years for
- 7 allocation by the Secretary of Food and Agriculture for capital
- 8 outlay to California fairs for fair projects involving public health
- 9 and safety, for fair projects involving major and deferred
- 10 maintenance, for fair projects necessary due to any emergency,
- 11 for projects that are required by physical changes to the fair site,
- 12 for projects that are required to protect the fair property or
- 13 installation, such as fencing and flood protection, and for the
- 14 acquisition or improvement of any property or facility that will
- 15 serve to enhance the operation of the fair.
- 16 (2) Any revenues deposited into the Fair and Exposition Fund
- 17 pursuant to Section 7101.4 of the Revenue and Taxation Code

1 shall not be allocated to any fair located in the County of Los
2 Angeles.

3 (3) Any revenues deposited into the Fair and Exposition Fund
4 pursuant to Section 7101.4 of the Revenue and Taxation Code
5 shall only be allocated to a state-designated fair if nonmanagement
6 employees at that state-designated fair, or nonmanagement
7 employees at any real property of that state-designated fair that
8 is leased to another party, are provided the following working
9 conditions:

10 (A) The employee receives a meal period of not less than 30
11 minutes for a work period of more than five hours per day, unless
12 the work period per day of the employee is less than six hours and
13 the meal period is waived by mutual consent of both the employer
14 and the employee.

15 (B) The employee receives a second meal period of not less than
16 30 minutes for a work period of more than 10 hours per day, unless
17 the work period per day of the employee is less than 12 hours, the
18 second meal period is waived by mutual consent of both the
19 employer and the employee, and the first meal period was not
20 waived.

21 (C) Any work in excess of eight hours in one workday, any work
22 in excess of 40 hours in any one workweek, and the first eight
23 hours worked on the seventh day of work in any one workweek is
24 compensated at the rate of no less than one and one-half times the
25 regular rate of pay for an employee.

26 (D) Any work in excess of 12 hours in one day is compensated
27 at the rate of no less than twice the regular rate of pay for an
28 employee.

29 (E) Any work in excess of eight hours on any seventh day of a
30 workweek is compensated at the rate of no less than twice the
31 regular rate of pay for an employee.

32 (b) A portion of the funds subject to allocation pursuant to
33 subdivision (a) may be allocated to California fairs for general
34 operational support. It is the intent of the Legislature that these
35 moneys be used primarily for those fairs whose sources of revenue
36 may be limited for purposes specified in this section.

37 (c) This section shall be repealed on January 1, 2022.

38 SEC. 2. Section 19620.2 is added to the Business and
39 Professions Code, to read:

1 19620.2. (a) Any unallocated balance from Section 19620.1
2 is hereby appropriated without regard to fiscal years for allocation
3 by the Secretary of Food and Agriculture for capital outlay to
4 California fairs for fair projects involving public health and safety,
5 for fair projects involving major and deferred maintenance, for
6 fair projects necessary due to any emergency, for projects that are
7 required by physical changes to the fair site, for projects that are
8 required to protect the fair property or installation, such as fencing
9 and flood protection, and for the acquisition or improvement of
10 any property or facility that will serve to enhance the operation of
11 the fair.

12 (b) A portion of the funds subject to allocation pursuant to
13 subdivision (a) may be allocated to California fairs for general
14 operational support. It is the intent of the Legislature that these
15 moneys be used primarily for those fairs whose sources of revenue
16 may be limited for purposes specified in this section.

17 (c) This section shall become operative on January 1, 2022.

18 SEC. 3. Section 6453.1 is added to the Revenue and Taxation
19 Code, to read:

20 6453.1. (a) For purposes of this part only, the return shall
21 segregate the gross receipts of the seller and the sales price of the
22 property when the place of sale in this state or use in this state for
23 purposes of this part is on or within the real property of a
24 state-designated fair or any real property of a state-designated fair
25 that is leased to another party.

26 (b) For purposes of this section, “state-designated fair” means
27 a state designated fair as defined in Sections 19418, 19418.1,
28 19418.2, and 19418.3 of the Business and Professions Code,
29 excluding any fair located in the County of Los Angeles.

30 (c) Notwithstanding any provision of the Bradley-Burns Uniform
31 Local Sales and Use Tax Law (Part 1.5 (commencing with Section
32 7200)) or the Transactions and Use Tax Law (Part 1.6
33 (commencing with Section 7251)), this section shall not apply with
34 respect to any tax levied by a county, city, or district pursuant to,
35 or in accordance with, either of those laws.

36 (d) This section shall be repealed on January 1, 2022.

37 SEC. 4. Section 7101.4 is added to the Revenue and Taxation
38 Code, to read:

39 7101.4. (a) Notwithstanding Section 7101 or any other law,
40 except as otherwise required to be transferred pursuant to the

1 California Constitution or Sections ~~6051.2, 6051.8, 6051.15,~~
2 ~~6201.2, 6201.8, 6201.15, and 7101.3~~ *and 6201.15* or subdivision
3 (a) of Section 7102, 30 percent of all revenues, less refunds and
4 costs of administration, derived under this part that were segregated
5 pursuant to Section 6453.1, upon receipt shall be transferred to the
6 Fair and Exposition Fund in the State Treasury. Any amounts
7 deposited in the Fair and Exposition Fund pursuant to this section
8 shall be continuously appropriated and allocated as provided in
9 Section 19620.2 of the Business and Professions Code.
10 (b) This section shall be repealed on January 1, 2022.